Proposition 50

Lead Department: Water
Contact: Eileen Bangalen 619-533-5466

Background

Proposition 50, adopted by voters in November, 2002 provides $3.4 billion for water projects:

Project Specific Earmarks	$1.5 billion
Grant Programs	$1.9 billion

The region's fair share of such programs would be $170 million – the City's share being $73 million. The City of San Diego and the County Water Authority partnered and developed a list of regional projects eligible for Prop 50 funding. Of that list, approximately $306 million in projects qualify to compete for current and future funding. The San Diego Water Department is prepared to proceed with these qualifying projects.

The bond funds are allocated annually in the state budget. In FY 04, more than $1.1 billion was authorized for resources and environmental purposes. Legislation accompanying the state budget also:

- Established a public review process for the bond funds
- Will develop project solicitation and evaluation guidelines and publish guidelines before public meeting
- Will provide outreach to disadvantaged communities to participate in public meetings
- May also require matching funds from applicants

Current personnel reductions at state agencies may impede the ability for various departments to receive appropriated funds in a timely manner. Additionally, the financial impairments experienced by the State of California may limit bond sales necessary for the $1.1 billion funding allocation. Finally, the lack of Prop 50 funds may jeopardize eligible projects already in process and the ability to receive reimbursement for costs previously incurred for those projects.

Strategies

- Seek and/or amend existing legislation or administrative process that would allow for the reimbursement of previously incurred project costs
- Assist the California Municipal Utilities Association with lending personnel resources to expedite the administration and processing of grant awards